

APPENDIX II

VOL 1062 PAGE 987

AGREEMENT OF MERGER

AGREEMENT OF MERGER, dated as of August 18, 1977 by and between XYZ CORPORATION, a Delaware corporation ("Ahold Subsidiary"), and Bi-Lo, Inc., a Delaware corporation ("Bi-Lo Delaware"), said corporations being hereinafter collectively referred to as the "Constituent Corporations".

WITNESSETH:

WHEREAS, Ahold Subsidiary and Bi-Lo Delaware have entered into a Plan of Reorganization and Agreement of Merger, dated as of June 24, 1977 (the "Plan and Agreement"), providing, among other things, for the execution, acknowledgement and filing of this Agreement and the merger of Ahold Subsidiary with and into Bi-Lo Delaware upon the terms set forth in the Plan and Agreement and this Agreement; and

WHEREAS, the respective Boards of Directors of each of the Constituent Corporations deem it advisable and in the best interest of each of such corporations and their respective stockholders that Ahold Subsidiary be merged with and into Bi-Lo Delaware in the manner contemplated herein and in the Plan and Agreement, have adopted resolutions approving this Agreement and the Plan and Agreement in accordance with the laws of the State of Delaware and have recommended that the merger of Ahold Subsidiary with and into Bi-Lo Delaware (the "Merger") be approved, and that this Agreement and the Plan and Agreement be approved and adopted, by the shareholders of their respective corporations;

NOW, THEREFORE, in consideration of the premises and of the mutual conditions, covenants and agreements herein contained, and for the purpose of stating the terms and conditions of the Merger, the mode of carrying the same into effect, the manner of converting the shares of Common Stock, par value $\$.33\frac{1}{3}$ per share, of Bi-Lo Delaware ("Bi-Lo Delaware Common Stock") issued and outstanding immediately prior to the effective time of the Merger into lawful money of the United States (herein referred to as "Cash") and the manner of converting each share of the Common Stock, par value \$1.00, of Ahold Subsidiary ("Ahold Subsidiary Common Stock") outstanding immediately prior to the effective time of the Merger into one share of Common Stock of the Surviving Corporation, and such other details and provisions as are deemed desirable, the parties hereto have agreed, and do hereby agree, subject to the terms and conditions hereinafter set forth, as follows:

ARTICLE I

On the Effective Date of the Merger, the separate existence of Ahold Subsidiary shall cease and Ahold Subsidiary shall be merged into Bi-Lo Delaware. Consummation of this Agreement shall be effected in accordance with Article VI hereof and the requirements of the applicable laws of the State of Delaware prerequisite thereto. Bi-Lo Delaware and Ahold Subsidiary are hereinafter sometimes referred to as the "Constituent Corporations" and the party to the Merger surviving the Merger is hereinafter sometimes referred to as the "Surviving Corporation". The "Effective Date of the Merger" shall be the close of business on the Saturday next following the time at which this Agreement of Merger has been duly filed in the office of the Secretary of the State of Delaware.

ARTICLE II

The laws which are to govern the Surviving Corporation are the laws of the State of Delaware.

Subsequent to the Effective Date of the Merger, the Certificate of Incorporation of Bi-Lo Delaware shall be the Certificate of Incorporation of the Surviving Corporation. The purposes and powers of the Surviving Corporation shall be as set forth in the presently existing Certificate of Incorporation of Bi-Lo Delaware.

0987

4328 RV-2